

**08.08.2011 № 110808-A01**

About an independent investigation of the bankruptcy of Atom mash OJSC, a large-scale crime in Russia

**To the 4 (four) Orders  
by D.A. Medvedev, President of Russia:  
from 29.06.2010 № Pr-1883,  
from 21.08.2010 № Pr-2448,  
from 19.05.2011 № Pr-1413,  
from 08.07.2011 № Pr-1948.**

**To the General Prosecutor  
of Russian Federation****Y.Y. CHAIKA**

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**ADDENDUM № 2**

**to the STATEMENT (out. № 110418-A01 from 18.04.2011)  
with Addendum № 1 (out. № 110607-A01 from 07.06.2011)  
for a COMPLAINT of YACONTO LLC (out. № 110201-A01 from 01.02.2011)  
with Addendum № 1 (out. № 110303-A01 from 03.03.2011)  
and Addendum № 2 (out. № 110321-A01 from 21.03.2011)  
to the General Prosecutor's Office of Russian Federation  
about acts of countering the investigation of a deliberate bankruptcy  
of Atom mash OJSC, Russia's nuclear engineering flagship  
(Volgodonsk, Rostov region)**

Following the Orders of the President of Russian Federation D.A. Medvedev: from 29.06.2010 № Pr-1883, from 21.08.2010 № Pr-2448, from 19.05.2011 № Pr-1413 and from 08.07.2011 № Pr-1948, the Presidential Control Directorate is conducting an investigation of bankruptcy and forced liquidation of Atom mash OJSC (Volgodonsk, Rostov region), where the State controlled 30% of the shares. In the responses from the Presidential Control Directorate to YACONTO LLC from 08.02.2011 № A8-771-5 and from 19.04.2011 № A8-2669-5 it is reported that the investigation is being led by the General Prosecutor's Office of Russia. In the responses from the Presidential Control Directorate to YACONTO LLC from 12.07.2011 № A8-5038-5 it is reported that in accordance with the Order of the President of Russian Federation from 08.07.2011 № Pr-1948 it is "prescribed" to the Russian Ministry of Internal Affairs to conduct an additional inquiry of the Atom mash OJSC's bankruptcy materials, presented by the General Prosecutor's Office of Russia.

On 30.06.2011 I received a phone call from Senior Investigator for exceptionally important cases of the Investigative Department of the Russian Interior Ministry Lieutenant Colonel P.V. Zotov, who said that the General Prosecutor's Office of Russia has received materials for an inquiry of the bankruptcy of Atom-mash OJSC according to the appeals from YACONTO LLC. P.V. Zotov invited me to meet with him. On 04.07.2011 I visited the Investigative Department of the Russian Interior Ministry (Moscow, Gazetny per., 4). At the meeting, Lt. Col. Zotov reported that he pronounced a Decree from 01.02.2011 to place A.Y. Stepanov, who is charged with a large-scale fraud with loans, under arrest. Lt. Col. Zotov also said that he started reviewing the materials from the General Prosecutor of Russia on the bankruptcy of Atom-mash OJSC. In his opinion, the statute of limitations for the bankruptcy case of Atom-mash OJSC has expired. I objected, saying that the case falls within the 15-year term, not under 10 years.

Companies like Atom-mash OJSC, the giant of nuclear engineering, are unique on the planet. And if we look at the bankruptcy case of Atom-mash OJSC as a whole, we find that throughout the period since the announcement of its bankruptcy and compulsory liquidation there have been no serious checks conducted by law enforcement and supervisory agencies whatsoever. Moreover, the members of an organized group of interested officials (OGIO) and the organized criminal group (OCG), utilizing administrative resource and a phenomenon of mutual responsibility of the officials on federal and regional levels, did everything possible to oppose the investigation of the bankruptcy of Atom-mash OJSC. They blocked literally all inquiries and checks, understanding that those could lead to a major criminal process in Russia with respective consequences for the OGIO and OCG members. In the meantime, the state's role in the bankruptcy of Atom-mash OJSC remains amorphous. And that's despite the fact that the State lost 30 % shares in Atom-mash through theft and by Law it must defend its interests and punish the perpetrators.

Intentional bankruptcy of Atom-mash OJSC, one of the world's largest nuclear engineering companies, should not be subject to a statute of limitations at all, since it is a grave crime against the State, committed by high-ranking officials at the federal and regional level. This is why those officials actively opposed the investigation of this crime. It's not by chance that the former head of the Administration of Rostov region V.F. Chub intends to become a deputy of the State Duma of Russia through Russian political party "United Russia". Through this, the "Rostov celestial" wants to get "immunity" from prosecution and escape retribution, which he undoubtedly earned over 19 years of his "deeds" in his "overseer" position. Destabilization in the North Caucasus is extremely beneficial to this "exemplar" and his "entourage", as well as to those who diligently continue to cover up the past of the "Rostov celestial". Instability and problems artificially created in the south of Russia are beneficial to the offenders because they divert the attention of the federal authorities from conducting a thorough audit and investigation of the

actions performed by V.F. Chub and his “entourage” in the region. A thorough investigation of their “deeds” will confirm the correctness of the above appeals of YAKONTO LLC.

Pages 11 and 12 of the Complaint of YACONTO LLC to the General Prosecutor’s Office of Russia (out. № 110201-A01 from 01.02.2011) indicate that according to the Decree of the Prime Minister of Russian Federation V.S. Chernomyrdin from 25.03.1994 № 378-p and from 08.09.1994 № 1437-p, “in order to preserve the unique specialized facilities for nuclear engineering ...” and “... for the restructuring of production ...”, Russian Ministry of Finance allocated earmarked loans totaling 22 billion rubles from the federal budget to Atom mash OJSC, to be returned in a timely manner. But even those funds – insufficient for a giant like Atom mash OJSC – didn’t serve the intended purpose, but instead were used to pursue personal interests. And, as there were no funds to return the loan from, Atom mash OJSC remained indebted to the state. But the most extraordinary thing about this combination is not that credit allocated to “Atom mash” had disappeared and could not therefore be used for its intended purpose, but the fact that the State, being the lender, never required to recover the debt. If the loans, in the end, had been used for their intended purpose, their cancellation by the state could have been at least partially justified. But the usage of loans at the expense of the State and Atom mash is a crime against the State of an unprecedented scale. Having cancelled the debt of the Atom mash OJSC to the State, corrupt officials at the federal and regional level who were involved in a crime, intentionally deprived the State itself of its right to be a creditor of Atom mash OJSC and a participant in the bankruptcy case of the flagship of the Russian nuclear power engineering, in which the State owned 30 % stake and a “golden share”. Corrupt officials involved in the bankruptcy case of Atom mash OJSC “on behalf of the State” intentionally didn’t use their legal right of a decisive vote granted by a “golden share” to veto the bankruptcy of the giant.

First Deputy Minister for Atomic Energy of Russia L.D. Ryabev could not have even imagined that his good intentions of undertaking measures necessary to pull Atom mash OJSC out of its crisis and stabilize the situation, measures that he outlined in his Letter (out. № 03-2739 from 09.12.1996) to the officials at federal and regional level, will be used by corrupt officials to withdraw the State from the list of creditors of Atom mash OJSC. Through usage of the said Letter during the Atom mash bankruptcy process, the criminals have removed restrictions for markdowns, write-offs and sale of the property for next to nothing. If the measures proposed by L.D. Ryabev had been used for the recovery of the industrial, economic and financial activity of Atom mash OJSC, the bankruptcy wouldn’t have happened. That’s why it’s necessary to investigate the execution of the said Letter (out. № 03-2739 from 12.09.1996) by the officials of different governmental branches and compare the instructions with what has been done to Atom mash OJSC in reality.

Going back to the “vivid content” of another Letter, from V.F. Chub (out. № 1/6049 from 09.19.1996) to his accomplice P.P. Mostovoy, it can be stated that the “write-off” through “reducing the capital surplus” of fixed assets and of the allegedly “under construction” sites of Atom mash OJSC (according to the list) worth 878 billion rubles has reduced its assets, even though their residual value has already been severely underestimated.

This is by far not the only example of the anti-state activities of the OGIO and OCG members. While the value of company’s assets has dropped significantly, the proportion of accounts payable has increased dramatically, growing exponentially “by leaps and bounds”. Multiple markdowns and sales of the unique industrial complex of Atom mash OJSC for a pittance also contributed to the collapse of capitalization and asset value of the industrial giant.

Unfortunately, my meeting with Senior Investigator for exceptionally important cases of the Investigative Department of the Russian Interior Ministry Lieutenant Colonel P.V. Zotov didn’t answer the question: is the investigation of the intentional bankruptcy of Atom mash OJSC, Russia’s flagship of nuclear engineering, going to be started, or the inappropriate “statute of limitations” will shroud the anti-state activities of the OGIO and OCG members? This answer is important for Russian citizens, foreign potential investors and strategic partners who can invest real hundreds of billions of U.S. dollars in the Russian economy. Influential figures in political, social and religious spheres of the world also want an answer.

Materials presented in the Complaint of YACONTO LLC to the General Prosecutor’s Office of Russia (out. № 110201-A01 from 01.02.2011), Addendum № 1 (out. № 110303-A01 from 03.03.2011) and in Addendum № 2 (out. № 110321-A01 from 21.03.2011) to the said Complaint; in the Statement of YACONTO LLC to the General Prosecutor’s Office of Russia (out. № 110418-A01 from 18.04.2011) and the Addendum № 1 (out. № 110607-A01 from 07.06.2011) to the said Statement, have also been left without an answer. The appeals named above and the documents attached thereto have facts sufficient to give a start to a total investigation of the Atom mash OJSC bankruptcy case and the anti-state activities of the OGIO and OCG members. If desired, getting any information through investigative activities doesn’t pose any difficulty. Obtaining the necessary information about transactions of products and raw materials in Russia and abroad, controlled by Atom mash OJSC and various LLPs illegally operating on its sites, is hardly a problem for legal, regulatory and supervisory bodies, as well as for special services.

Pages 8 - 10 of the Addendum № 1 (out. № 110303-A01 from 03.03.2011) to the Complaint of YACONTO LLC (out. № 110201-A01 from 01.02.2011) contain an information about activities of Russia’s Transport Minister I.E. Levitin, negative for the socio-economic development of Russia. There is irrefutable evidence

of unforgivable criminal acts committed by this “exemplar” and his “team” that must be reported to the President of Russia D.A. Medvedev by the supervisory authorities of the country. Having carefully studied the behavior of the hypocritical Levitin, deceitful to the leadership of the State, YACONTO LLC found it necessary to add the below information, which is of interest to many people and organizations in Russia and abroad, to the current appeal.

Torrential rain of 08.02.2011 provoked a strong landslide on the M27 federal highway (Dzhubga - Tuapse - Sochi) near the town of Tuapse. The landslide severely damaged a section of road and communication between the cities on the coast of the Krasnodar Territory. Similar facts have occurred within a few days on other segments of the M27 highway. The flow of cars on the “federal serpentine” was paralyzed in both directions. Delivery of goods and materials for the “Sochi-2014” Winter Olympics construction through motor transport was completely blocked. If the implementation of the nongovernmental investment YACONTO Integrated Program hadn’t been disrupted by the “criminals” – corrupt officials from the Russian Ministry of Transport – construction and commissioning of a modern multi-lane highway from the town Goryachy Klyuch through Tuapse district and the city of Sochi to the border with Georgia would have prevented a catastrophic situation and the negative consequences. Therefore, YACONTO LLC believes that the actions of the specific officials of the Russian Ministry of Transport and their “patrons” are anti-state activities that undermine economic security and national defense of the state, and must be inspected as such.

YACONTO LLC does not consider it necessary to inform the corrupt officials of Russia about its preparations for the YACONTO International Program aimed at accelerating the socio-economic development of the involved states. Nongovernmental investment YACONTO Integrated Program is merely a part of the YACONTO International Program that has no analogues in the world. Asian, African, European, North and Latin American, Middle East countries and the former USSR republics (currently independent states) will take part in it. YACONTO International Program includes some most promising projects and programs on the planet. In particular, it was planned to construct a new navigable waterway 45 - 60 km long parallel to the existing, extremely busy thoroughfare of Bosphorus, the Sea of Marmara and the Dardanelles Strait, for a significant expansion of economic activity of the Azov-Black Sea basin states. This project was associated with the YACONTO Integrated Program. Ten (10) years ago, YACONTO LLC successfully carried out confidential discussions with interested parties on the above topic. Today we can only regret that the “criminals” from the Russian Ministry of Transport left no place for our country in that Project of Turkey.

If the “criminals” who mock Russian people and rob them to the bone are not prosecuted and severely punished, in the near future we will witness events, that neither the police nor the special services, nor the army will be able to stop. And we should not test the patience of the Russian people. It is the only nation left

in the world that is still able to withstand this humiliation, hardship and horrible experiments on them. And if the “impotent government” is not able to deal with “exemplars” like Levitin, Chub and their kind, whose criminal activity is covered by their “patrons”, soon there comes a day when common folk deals with them themselves – in a way that other “exemplars” seeking adventure and easy money would forever dismiss the idea to loot and destroy Russia. And in the era of scientific and technology progress, no one can escape the punishment. As for Levitin himself, this “Chairman of the disaster and funeral committee” should be held criminally liable for the critical condition of air, water and land transport, as well as the roads. On behalf of Russian people, the Court must sentence him to severe punishment accompanied by a confiscation of his property of highly questionable origins, including the property fictitiously belonging to his kin. China would have likely sentenced Levitin to capital punishment for crimes of this magnitude.

Page 10 of the Addendum № 2 (out. № 110321-A01 from 21.03.2011) to the Complaint of YACONTO LLC (out. № 110201-A01 from 01.02.2011) contains recommendations about restoring the status quo of Atom mash OJSC through the Project-A developed by YACONTO LLC. Project-A assumes a direct involvement of the State in deciding whether to return its lost property illegally seized as a result of a deliberate bankruptcy of Atom mash OJSC carried out in 1995 - 1999. The state did not control its property which, with the assistance of corrupt officials, has been repeatedly devaluated through write-offs and markdowns and sold at low prices, which led to a drastic increase in debt of Atom mash OJSC to questionable creditors, so that the company was forced to be eliminated on 25.11.1999.

According to Project-A, grounds for investigating the bankruptcy of Atom mash OJSC are set by the inspection materials of the Audit Chamber of Russia, conducted on behalf of the Committee for industry, construction, transport and high-end technologies of the State Duma of Russia from 21.10.2000 № 3.11-21/1312. This inspection resulted in a Regulation of the College of the Audit Chamber of Russia dated 22.02.2002 № 6(289). The inspection found that, with the complicity of corrupt State officials, Atom mash OJSC and its shareholders suffered enormous material damage. Bankruptcy of Atom mash OJSC was carried out in the interest of EMK-Atom mash JSC, generated on the premises of the former. EMK-Atom mash inherited all basic production capacities and liquid assets of Atom mash OJSC.

Based on the outcome of the investigation and upon confirmation of the facts of the intentional bankruptcy of Atom mash OJSC, the General Prosecutor's Office of Russia must issue a Regulation (a protest) and send it to the Supreme Arbitration Court of Russia to cancel the decision of the Arbitration Court of the Rostov region on recognition of Atom mash OJSC bankrupt. This will allow the state to return 30 % of Atom mash OJSC and sue the Energomash Corporation JSC and its successors to return the property illegally expropriated from Atom mash OJSC and compensate for damages inflicted since 1995. Limitation period for grave

anti-state crimes has not expired. In fact, the statute of limitations is not applicable for this bankruptcy of a strategically important company, because the investigation as such did not begin, as all attempts to initiate a criminal process were stopped by the OGIO and OCG members.

In order to repay the debt while meeting the requirements of the state to reimburse the damage inflicted to Atom mash, the structures of Energomash must compensate for the loss through their assets in Barnaul, Belgorod, Volgodonsk, Engels, Yekaterinburg, Chekhov and other property, including 10.8 % shares of the restored Atom mash OJSC.

After the restoration of the status-quo, re-equipment of the production facilities, and return of the skilled workers and professionals, Atom mash OJSC will be able to recuperate its production activities in the interests of Russia.

To restore the productive capacity of the Atom mash OJSC, which is capable of producing promising high-tech nuclear engineering equipment, it's appropriate to the State to increase its stake in Atom mash OJSC by an extra 28.5 % through purchase of the respective shares from YACONTO LLC. This will allow the state to implement its nuclear power program on its own terms. Payment for the shares of Atom mash OJSC, by agreement between the State and YACONTO LLC can be in the form of land, buildings, structures, utilities, enterprises, companies, securities, money and other assets as agreed with the investors.

As soon as the State becomes the owner of the controlling interest in Atom mash OJSC, it can restore its productive capacities to implement the Program of nuclear energy development in Russia and abroad. The State will be able to transit the property, received through compensations for the damage inflicted to Atom mash OJSC, and the shares acquired from YACONTO LLC, to an appropriate trust, involving authorized persons in repayment of the obligations to the third parties. This will allow the state to drastically increase the efficiency of exploitation of the returned and accumulated assets by transferring them to an authorized trust for unlimited usage. Through this we can ensure the modernization of assets and attract potential investors and strategic partners to implement projects and programs of socio-economic development.

Based on the property received by YACONTO LLC through settlements with the state, YACONTO JSC will be established, involving partners and investors through the sale of stock (shares) of assets of YACONTO JSC. The following conditions will apply for the sale or barter of stock (shares) of the assets: supplying assets with modern equipment and advanced technology; providing access to markets of goods and services that will be created by the said assets on the basis of strategic marketing. The target shareholders of YACONTO JSC are those interested in its establishment and sustainability in the long term. The list of participants in the organization of the group to establish YACONTO JSC will include those who assist in providing the implementation of Project-A to restore

the status quo of Atommash OJSC and in a selection of investment property (assets) for settlements between the State and YACONTO LLC.

The implementation of Project-A will provide a successful solution of problems and challenges faced by Russia. It will restore the status quo of Atommash OJSC and bring back 30 % of its shares to the State, as well as ensure payment of all its debts to third parties and force the guilty to compensate for the inflicted damage. The State will accumulate the controlling stake in Atommash OJSC through exchanging the 28.5 % interest owned by YACONTO LLC for property agreed with investors and partners. The State accumulated interest in Atommash JSC and other assets may be transferred to an appropriate trust authorized by the state to carry out the development of nuclear engineering and realization of socio-economical development in Russia and abroad. It will also create conditions for implementation of the YACONTO International Program and attraction of potential investors and strategic partners.

**I ask you** to instruct the central office of the General Prosecutor's Office of Russia to conduct a thorough investigation of the bankruptcy of Atommash OJSC and protect legal interests of the State and other shareholders. **I also ask you** to report the progress and outcome of the investigation of the bankruptcy of Atommash OJSC to the President of Russia D.A. Medvedev and inform Prime Minister V.V. Putin, so that a political decision on restoring the status quo of Atommash OJSC can be made in the interests of thousands of shareholders, of which the State is the core one.

*(All the documents mentioned above can be found on [WWW.YACONTO.RU](http://WWW.YACONTO.RU))*

*(The Russian text of this letter is an original.)*

**Attachments:** documents on 60 (sixty) pages.

**Respectfully yours,**

**President of YACONTO LLC**



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